
FEHB Program Carrier Letter

Experience-Rated Carriers

U.S. Office of Personnel
Management
Office of Insurance Programs

Letter No. 2000-32A

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Fee-for-service [27] Experience-rated HMO [28] Community-rated [--]

SUBJECT: FEHB Clearinghouse

This is to update you on the progress of the Federal Employees Health Benefits (FEHB) Program Clearinghouse and invite you to participate in developing and operating it.

We are nearing completion of an agreement with the National Finance Center (NFC) to build the FEHB Clearinghouse, and will begin the development phase of the project later this summer. NFC estimates that system development will cost less than \$3 million, and that maintenance and operation will cost about \$2.5 million per year. That means carrier development costs will be less than 75 cents per enrollment per year; annual maintenance and operation will be less than 65 cents per enrollment per year.

We believe that these costs are insignificant compared to the program savings that will result from the improvements that the Clearinghouse, together with the new disenrollment regulations, will bring to the reconciliation process. If your share of the development costs is significant to your administrative ceiling, we will consider your request to adjust it.

To spread the costs and benefits of the Clearinghouse equitably across the FEHB Program, carrier participation is mandatory. We are working with our Office of Systems, Finance and Administration on the details for the payment mechanisms and will provide them to you soon.

An Executive Steering Committee (ESC) will guide the development and operation of the Clearinghouse. The ESC will include representatives from OPM and FEHB carriers, as well as Federal personnel and payroll offices. We also want carrier participation on workgroups to develop system requirements.

If you have questions about the Clearinghouse or would like to be a member of the ESC or Clearinghouse workgroups, please contact Eric Figg at (202) 606-0745 or EDFigg@opm.gov.

Sincerely,

Frank D. Titus
Assistant Director
for Insurance Programs